



Notice 1036

(Rev. May 2003)

Early Release Copies of New Income Tax Withholding Tables

Attached are early release copies of the new Percentage Method of Withholding tables that will appear in **Publication 15-T**, New Withholding Tables. This publication is scheduled to be mailed to employers by June 18, 2003. The new tables are the result of the Jobs and Growth Tax Relief Reconciliation Act of 2003.

Effective immediately, employers should begin using the revised tables for wages paid through 2004.

Notice 1036 will be revised to include the Wage Bracket Method Income Tax Withholding Tables; Formula Tables for Percentage Method Withholding; Wage Bracket Percentage Method Tables; Combined Income Tax, Employee Social Security Tax, and Employee Medicare Tax Withholding Tables; and Tables for Withholding on Distributions of Indian Gaming Profits to Tribal Members. The revised notice will be posted to www.irs.gov on May 30, 2003.

Percentage Method Income Tax Withholding Tables

The wage amounts shown in the tables are net wages after the deduction for total withholding allowances. The withholding allowance amounts by payroll period have changed as shown below.

Payroll Period	One Withholding Allowance
Weekly	\$ 59.62
Biweekly	\$119.23
Semimonthly	\$129.17
Monthly	\$258.33
Quarterly	\$775.00
Semiannually	\$1,550.00
Annually	\$3,100.00
Daily or Miscellaneous	\$ 11.92

When employers use the percentage method tables, the tax for the pay period may be rounded to the nearest dollar. (If rounding is used, it must be used consistently.) Withheld tax amounts should be rounded to the nearest dollar by dropping amounts under 50 cents and increasing amounts from 50 to 99 cents to the next higher dollar. For example, \$2.30 becomes \$2 and \$2.80 becomes \$3.

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Tables for Percentage Method of Withholding
(For Wages Paid Through December 2004)

TABLE 1—WEEKLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$51		\$0		Not over \$154		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$51	—\$187	10%	—\$51	\$154	—\$429	10%	—\$154
\$187	—\$592	\$13.60 plus 15%	—\$187	\$429	—\$1,245	\$27.50 plus 15%	—\$429
\$592	—\$1,317	\$74.35 plus 25%	—\$592	\$1,245	—\$2,270	\$149.90 plus 25%	—\$1,245
\$1,317	—\$2,860	\$255.60 plus 28%	—\$1,317	\$2,270	—\$3,568	\$406.15 plus 28%	—\$2,270
\$2,860	—\$6,177	\$687.64 plus 33%	—\$2,860	\$3,568	—\$6,271	\$769.59 plus 33%	—\$3,568
\$6,177	. . . . .	\$1,782.25 plus 35%	—\$6,177	\$6,271	. . . . .	\$1,661.58 plus 35%	—\$6,271

TABLE 2—BIWEEKLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$102		\$0		Not over \$308		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$102	—\$373	10%	—\$102	\$308	—\$858	10%	—\$308
\$373	—\$1,185	\$27.10 plus 15%	—\$373	\$858	—\$2,490	\$55.00 plus 15%	—\$858
\$1,185	—\$2,635	\$148.90 plus 25%	—\$1,185	\$2,490	—\$4,540	\$299.80 plus 25%	—\$2,490
\$2,635	—\$5,719	\$511.40 plus 28%	—\$2,635	\$4,540	—\$7,137	\$812.30 plus 28%	—\$4,540
\$5,719	—\$12,354	\$1,374.92 plus 33%	—\$5,719	\$7,137	—\$12,542	\$1,539.46 plus 33%	—\$7,137
\$12,354	. . . . .	\$3,564.47 plus 35%	—\$12,354	\$12,542	. . . . .	\$3,323.11 plus 35%	—\$12,542

TABLE 3—SEMIMONTHLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$110		\$0		Not over \$333		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$110	—\$404	10%	—\$110	\$333	—\$929	10%	—\$333
\$404	—\$1,283	\$29.40 plus 15%	—\$404	\$929	—\$2,698	\$59.60 plus 15%	—\$929
\$1,283	—\$2,854	\$161.25 plus 25%	—\$1,283	\$2,698	—\$4,919	\$324.95 plus 25%	—\$2,698
\$2,854	—\$6,196	\$554.00 plus 28%	—\$2,854	\$4,919	—\$7,731	\$880.20 plus 28%	—\$4,919
\$6,196	—\$13,383	\$1,489.76 plus 33%	—\$6,196	\$7,731	—\$13,588	\$1,667.56 plus 33%	—\$7,731
\$13,383	. . . . .	\$3,861.47 plus 35%	—\$13,383	\$13,588	. . . . .	\$3,600.37 plus 35%	—\$13,588

TABLE 4—MONTHLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$221		\$0		Not over \$667		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$221	—\$808	10%	—\$221	\$667	—\$1,858	10%	—\$667
\$808	—\$2,567	\$58.70 plus 15%	—\$808	\$1,858	—\$5,396	\$119.10 plus 15%	—\$1,858
\$2,567	—\$5,708	\$322.55 plus 25%	—\$2,567	\$5,396	—\$9,838	\$649.80 plus 25%	—\$5,396
\$5,708	—\$12,392	\$1,107.80 plus 28%	—\$5,708	\$9,838	—\$15,463	\$1,760.30 plus 28%	—\$9,838
\$12,392	—\$26,767	\$2,979.32 plus 33%	—\$12,392	\$15,463	—\$27,175	\$3,335.30 plus 33%	—\$15,463
\$26,767	. . . . .	\$7,723.07 plus 35%	—\$26,767	\$27,175	. . . . .	\$7,200.26 plus 35%	—\$27,175

Tables for Percentage Method of Withholding (Continued)

(For Wages Paid Through December 2004)

TABLE 5—QUARTERLY Payroll Period

(a) SINGLE person (including head of household)—

If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$663		\$0	
Over—	But not over—	of excess over—	
\$663	—\$2,425	10%	—\$663
\$2,425	—\$7,700	\$176.20 plus 15%	—\$2,425
\$7,700	—\$17,125	\$967.45 plus 25%	—\$7,700
\$17,125	—\$37,175	\$3,323.70 plus 28%	—\$17,125
\$37,175	—\$80,300	\$8,937.70 plus 33%	—\$37,175
\$80,300	. . . . .	\$23,168.95 plus 35%	—\$80,300

(b) MARRIED person—

If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$2,000		\$0	
Over—	But not over—	of excess over—	
\$2,000	—\$5,575	10%	—\$2,000
\$5,575	—\$16,188	\$357.50 plus 15%	—\$5,575
\$16,188	—\$29,513	\$1,949.45 plus 25%	—\$16,188
\$29,513	—\$46,388	\$5,280.70 plus 28%	—\$29,513
\$46,388	—\$81,525	\$10,005.70 plus 33%	—\$46,388
\$81,525	. . . . .	\$21,600.91 plus 35%	—\$81,525

TABLE 6—SEMIANNUAL Payroll Period

(a) SINGLE person (including head of household)—

If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$1,325		\$0	
Over—	But not over—	of excess over—	
\$1,325	—\$4,850	10%	—\$1,325
\$4,850	—\$15,400	\$352.50 plus 15%	—\$4,850
\$15,400	—\$34,250	\$1,935.00 plus 25%	—\$15,400
\$34,250	—\$74,350	\$6,647.50 plus 28%	—\$34,250
\$74,350	—\$160,600	\$17,875.50 plus 33%	—\$74,350
\$160,600	. . . . .	\$46,338.00 plus 35%	—\$160,600

(b) MARRIED person—

If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$4,000		\$0	
Over—	But not over—	of excess over—	
\$4,000	—\$11,150	10%	—\$4,000
\$11,150	—\$32,375	\$715.00 plus 15%	—\$11,150
\$32,375	—\$59,025	\$3,898.75 plus 25%	—\$32,375
\$59,025	—\$92,775	\$10,561.25 plus 28%	—\$59,025
\$92,775	—\$163,050	\$20,011.25 plus 33%	—\$92,775
\$163,050	. . . . .	\$43,202.00 plus 35%	—\$163,050

TABLE 7—ANNUAL Payroll Period

(a) SINGLE person (including head of household)—

If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$2,650		\$0	
Over—	But not over—	of excess over—	
\$2,650	—\$9,700	10%	—\$2,650
\$9,700	—\$30,800	\$705.00 plus 15%	—\$9,700
\$30,800	—\$68,500	\$3,870.00 plus 25%	—\$30,800
\$68,500	—\$148,700	\$13,295.00 plus 28%	—\$68,500
\$148,700	—\$321,200	\$35,751.00 plus 33%	—\$148,700
\$321,200	. . . . .	\$92,676.00 plus 35%	—\$321,200

(b) MARRIED person—

If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$8,000		\$0	
Over—	But not over—	of excess over—	
\$8,000	—\$22,300	10%	—\$8,000
\$22,300	—\$64,750	\$1,430.00 plus 15%	—\$22,300
\$64,750	—\$118,050	\$7,797.50 plus 25%	—\$64,750
\$118,050	—\$185,550	\$21,122.50 plus 28%	—\$118,050
\$185,550	—\$326,100	\$40,022.50 plus 33%	—\$185,550
\$326,100	. . . . .	\$86,404.00 plus 35%	—\$326,100

TABLE 8—DAILY or MISCELLANEOUS Payroll Period

(a) SINGLE person (including head of household)—

If the amount of wages (after subtracting withholding allowances) divided by the number of days in the payroll period is:		The amount of income tax to withhold per day is:	
Not over \$10.20		\$0	
Over—	But not over—	of excess over—	
\$10.20	—\$37.30	10%	—\$10.20
\$37.30	—\$118.50	\$2.71 plus 15%	—\$37.30
\$118.50	—\$263.50	\$14.89 plus 25%	—\$118.50
\$263.50	—\$571.90	\$51.14 plus 28%	—\$263.50
\$571.90	—\$1,235.40	\$137.49 plus 33%	—\$571.90
\$1,235.40	. . . . .	\$356.45 plus 35%	—\$1,235.40

(b) MARRIED person—

If the amount of wages (after subtracting withholding allowances) divided by the number of days in the payroll period is:		The amount of income tax to withhold per day is:	
Not over \$30.80		\$0	
Over—	But not over—	of excess over—	
\$30.80	—\$85.80	10%	—\$30.80
\$85.80	—\$249.00	\$5.50 plus 15%	—\$85.80
\$249.00	—\$454.00	\$29.98 plus 25%	—\$249.00
\$454.00	—\$713.70	\$81.23 plus 28%	—\$454.00
\$713.70	—\$1,254.20	\$153.95 plus 33%	—\$713.70
\$1,254.20	. . . . .	\$332.32 plus 35%	—\$1,254.20